

EX PARTE OR LATE FILED

EX PARTE



United States Telephone Association

900 19th Street, N.W., Suite 800
Washington, D.C. 20006-2105
(202) 835-3100

DOCKET FILE COPY ORIGINAL

April 9, 1993

RECEIVED

APR - 9 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Donna Searcy
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D. C. 20554

Re: Ex Parte Meeting
CC Docket No. 92-135

Dear Ms. Searcy:

On April 9, 1993, Don Parish, Jeff Reynolds, David Cohen and R. T. Gregg, representing the United States Telephone Association (USTA), met with Andy Mulitz and Dan Grosh of the Common Carrier Bureau regarding the above-referenced proceeding. The attached written material was distributed and discussed.

The original and a copy of this ex parte notice are being filed in the Office of the Secretary on April 9, 1993 and should be included in the public record of this docket.

Respectfully submitted,

A handwritten signature in cursive script that reads "Linda Kent".

Linda Kent
Associate General Counsel

Attachment

cc: Dan Grosh
Andy Mulitz

rec'd

Handwritten initials "DA" in a large, bold, sans-serif font, with a vertical line extending upwards from the "A".

OIR CCL Rate Development

USTA Methodology vs. AT&T Methodology

Input Parameters

| | Prior Base Period 1 (1991) | Prior Base Period 2 (1991/1992) | Base Period 1 (1992) | Base Period 2 (1993/1994) |
|------------------|----------------------------------|---------------------------------------|----------------------------|---------------------------------|
| MOU | 19,000,000 | 39,000,000 | 20,000,000 | 43,000,000 |
| Access Lines | 11,525 | 23,525 | 12,000 | 24,980 |
| CL Costs | | | \$1,000,000 | \$2,050,000 |
| End User Revenue | | | \$600,000 | \$1,250,000 |
| CCL Costs | | | \$400,000 | \$800,000 |
| CCL Cost/min. | | | \$0.0200 | \$0.0186 |
| USTA "g" | | | 1.096% (annual) | 3.834% (biennial) |
| USTA "g/2" | | | 0.548% | 1.917% |
| AT&T "g" | | | 5.263% (annual) | 10.256% (biennial) |
| AT&T "g/2" | | | 2.632% | 5.128% |

7/93–6/95 CCL Rate Development – USTA "g"

| | | |
|-----------------|-------------------------|-------------|
| CL Cost @ A–ROR | 2 x BP CL Costs @ A–ROR | \$2,000,000 |
| EU Revenue | 2 x BP EU Revenue | \$1,200,000 |

| | | |
|-----------|-----------------------|-----------|
| CCL Costs | CL Costs – EU Revenue | \$800,000 |
|-----------|-----------------------|-----------|

Grow 1/92–12/92 BP minutes at full historical growth for one half year to their 7/92–6/93 levels

| | |
|------------------------------|------------|
| BP Minutes x $(1+g)^{(1/2)}$ | 20,109,350 |
|------------------------------|------------|

Grow 7/92–6/93 minutes at half of full historical growth for one year to their 7/93–6/94 levels

| | |
|-------------------------------|------------|
| 7/92–6/93 Minutes x $(1+g/2)$ | 20,219,599 |
|-------------------------------|------------|

Grow 7/92–6/93 minutes at half of full historical growth for two years to their 7/94–6/95 levels

| | |
|---------------------------------|------------|
| 7/92–6/93 Minutes x $(1+g/2)^2$ | 20,330,452 |
|---------------------------------|------------|

| | |
|--|------------|
| Total CCL Ratemaking minutes for 7/93–6/95 | 40,550,051 |
|--|------------|

| | | |
|----------|------------------------------|-----------------|
| CCL Rate | CCL Costs/Ratemaking Minutes | <u>\$0.0197</u> |
|----------|------------------------------|-----------------|

7/95–6/97 CCL Rate Development – AT&T "g"

| | | |
|---|-------------------------------|-----------------|
| CL Cost @ A–ROR | BP2 CL Costs @ A–ROR | \$2,050,000 |
| EU Revenue | BP2 EU Revenue | \$1,250,000 |
| CCL Costs | CL Costs – EU Revenue | \$800,000 |
| Grow 1/93–12/94 BP2 minutes at full historical growth for one half year to their 7/93–6/95 levels | | |
| | BP2 Minutes x $(1+g)^{(1/4)}$ | 44,062,529 |
| Grow 7/93–6/95 minutes at half of full historical growth for two years to their 7/95–6/97 levels | | |
| | 7/93–6/95 Minutes x $(1+g/2)$ | 46,322,146 |
| Total CCL Ratemaking minutes for 7/95–6/97 | | 46,322,146 |
| CCL Rate | CCL Costs/Ratemaking Minutes | <u>\$0.0173</u> |

7/93–6/95 CCL Rate Development – AT&T "g"

| | | |
|--|---------------------------------|-----------------|
| CL Cost @ A–ROR | 2 x BP CL Costs @ A–ROR | \$2,000,000 |
| EU Revenue | 2 x BP EU Revenue | \$1,200,000 |
| CCL Costs | CL Costs – EU Revenue | \$800,000 |
| Grow 1/92–12/92 BP minutes at full historical growth for one half year to their 7/92–6/93 levels | | |
| | BP Minutes x $(1+g)^{(1/2)}$ | 20,519,567 |
| Grow 7/92–6/93 minutes at half of full historical growth for one year to their 7/93–6/94 levels | | |
| | 7/92–6/93 Minutes x $(1+g/2)$ | 21,059,556 |
| Grow 7/92–6/93 minutes at half of full historical growth for two years to their 7/94–6/95 levels | | |
| | 7/92–6/93 Minutes x $(1+g/2)^2$ | 21,613,754 |
| Total CCL Ratemaking minutes for 7/93–6/95 | | 42,673,310 |
| CCL Rate | CCL Costs/Ratemaking Minutes | <u>\$0.0187</u> |

7/95–6/97 CCL Rate Development – AT&T "g"

| | | |
|---|-------------------------------|-----------------|
| CL Cost @ A–ROR | BP2 CL Costs @ A–ROR | \$2,050,000 |
| EU Revenue | BP2 EU Revenue | \$1,250,000 |
| CCL Costs | CL Costs – EU Revenue | \$800,000 |
| Grow 1/93–12/94 BP2 minutes at full historical growth for one half year to their 7/93–6/95 levels | | |
| | BP2 Minutes x $(1+g)^{(1/4)}$ | 44,062,529 |
| Grow 7/93–6/95 minutes at half of full historical growth for two years to their 7/95–6/97 levels | | |
| | 7/93–6/95 Minutes x $(1+g/2)$ | 46,322,146 |
| Total CCL Ratemaking minutes for 7/95–6/97 | | 46,322,146 |
| CCL Rate | CCL Costs/Ratemaking Minutes | <u>\$0.0173</u> |